Seizing the Moment: The Need to Rebuild U.S.-Bolivian Relations

Statement of

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I am pleased and honored to testify today about U.S.-Bolivian relations. Researching and reporting on the effects of U.S. foreign policy in Bolivia for nearly 20 years, my organization, the Andean Information Network (AIN), maintains a special focus on drug policy and related human rights concerns. AIN informs U.S. Congressional offices and advocates, as well as Bolivian and U.S. government officials. It is essential to generate informed policy debates in order to strengthen democratic institutions, creating openings for positive, productive U.S.-Bolivian bilateral relations. AIN's long term goal is to promote significant changes in U.S. anti-drug policy in the Andean countries in order to address the economic, social, political, and cultural needs of the region. [1]

You have asked me to address several questions on future joint counternarcotics efforts with Bolivia and future U.S. foreign assistance to the country. Are there any actions

[1]. These remarks are drawn primarily from :

Ledebur, Kathryn and John Walsh. "Decertifying Bolivia: Bush Administration 'Fails Demonstrably' to Make its Case," Andean Information Network and Washington Office on Latin America. 4 November 2008.

Ledebur, Kathryn and John Walsh. "Change for the Better: The Chance to Recast U.S.-Bolivian Relations," Andean Information Network and Washington Office on Latin America. 23 January 2009.

I wish to thank John Walsh for his significant contributions.

the Obama Administration can take to improve relations with Bolivia? What will the Bolivian Government need to do to help get relations back on track? Should the Obama Administration lift the suspension of Andean Trade Preferences for Bolivia? If so, should the lifting of the suspension be conditioned on the Bolivian Government meeting certain criteria, such as allowing the return of U.S. Drug Enforcement Administration (DEA) personnel or the return of the U.S. Ambassador?

Improved relations between Bolivia and the United States are possible, but actions must be taken immediately by both nations to repair the situation. Diplomatically addressing the lack of clarity about future bilateral relations and official channels of communication would do a great deal to improve dynamics. President Morales and other MAS government leaders were quick to respond to the election of Barack Obama in November, expressing their profound hope for improvement. Although U.S. officials cite a lack of concrete commitment by the Morales government for improved relations, the Bolivian government perceives that its initiative to improve its relationship with the U.S. has been unaddressed by their American counterparts for many months. These conflicting perceptions highlight the persisting and deepening mutual lack of understanding that must be recognized and addressed in order to overcome the diplomatic crisis.

Understanding Recent History as a Means to Move Forward

The Obama administration and Bolivia's President Evo Morales should now seize the moment to repair the bilateral relationship, to the benefit of both countries. The first indispensable step is the rapid reinstatement of ambassadors in both countries. In September 2008, Bolivian President Evo Morales expelled the U.S. ambassador, Philip Goldberg, stating that he had violated national sovereignty by interfering in Bolivian political affairs. The Bush administration denied any improper conduct and immediately expelled the Bolivian ambassador. The Bush administration then declared that Morales' government had "failed demonstrably" to honor its international drug control obligations and suspended Bolivia from eligibility for benefits under the Andean Trade Promotion and Drug Eradication Act (ATPDEA). Accusing members of the U.S. Drug Enforcement Administration (DEA) of engaging in espionage and political interference, President Morales then expelled the DEA from Bolivia. The resulting rapid deterioration in bilateral relations revealed a lack of understanding and history as well as a profound lack of trust on the part of both governments. Since the election of Barack Obama, negative public reactions by representatives of both nations have fueled further deterioration in relations.

However, there have been indications that the situation could improve. Addressing the United Nations General Assembly in New York in mid-November, Morales repeated his intention to improve relations with the new administration, and commented that he believes the two presidents have much in common. Later, Bolivian Foreign Minister David Choquehuanca saluted the Obama inauguration, and reiterated his country's hopes for improved relations with the United States, suggesting that it is time that both governments name new ambassadors. After the turbulent preceding months and Bolivians' mistrust of U.S. intentions, Morales officials' optimistic statements should be considered genuine. They can hardly be interpreted as playing to Morales' domestic political base.

Mixed Signals

The signals from Washington have been mixed. Even as the Bush administration ended, the anger towards Morales in Washington remained palpable, especially in light of the ambassador's September expulsion. The decision to delay high level State Department appointments for the Western Hemisphere has also created a lack of clarity about the specific thrust of Obama Administration policy in the region. In written responses to questions from her January 14 Senate confirmation hearing, Secretary of State Hillary Clinton referred to "fear-mongering propagated by [Venezuelan President Hugo] Chavez and Evo Morales." While Clinton's intent in characterizing President Morales as engaging in "fear-mongering" is unclear, the statement does not seem to suggest a readiness to improve relations. Although the new Secretary of State's reply received scant attention in the United States, it was front-page news in Bolivia, and was easily open to interpretation as a deliberate rebuff of the Bolivian government's repeated expressions of readiness to engage the new U.S. administration. On January 26, the State Department's reaction to the results of the Bolivian Constitutional Referendum demonstrated a more promising, pragmatic position, congratulating the Bolivian people and the important advances they made to further democracy. Although such diplomatic statements are encouraging, it is clear that the overall U.S. stance on Bolivia remains difficult to interpret from a Bolivian perspective.

President Morales' November Visit to Washington

Following Obama's election, President Morales paid his first visit to Washington, where he reached out to key legislators to express his views on the ruptured relations with the United States and his interest in mending them. Morales sat down with members of Congress with a significant role in shaping U.S. foreign policy, including Senators Harry Reid (D-NV), John Kerry (D-MA), Chris Dodd (D-CT) and Richard Lugar (R-IN), as well

as Representatives Howard Berman (D-CA) and Eliot Engel (D-NY). Despite the tensions in relations with the Bush administration, Morales' visit to Washington gave grounds for hope that the situation could improve.

The pragmatic view expressed by Senator Lugar, the ranking Republican on the Senate Foreign Relations Committee, who hailed Morales' visit as "a positive step toward improving dialogue and understanding between the two nations," is especially noteworthy. Moreover, Senator Lugar's statement acknowledged and addressed Morales' grievance, highlighting that:

> "The United States regrets any perception that it has been disrespectful, insensitive, or engaged in any improper activities that would disregard the legitimacy of the current Bolivian government or its sovereignty. We hope to renew our relationship with Bolivia, and to develop a rapport grounded on respect and sovereignty."

Morales's meetings with Senator Lugar and other congressional leaders permitted the sort of frank exchanges that can create rapport, laying the basis for more regular dialogue and better mutual understanding. Indeed, after returning to La Paz, Morales wrote to Senator Lugar that their encounter "amply confirmed for me that a renewed and respectful relationship between our peoples and governments is possible."

The Bush Administration's Decertification of Bolivia

On September 16, 2008, the Bush administration announced its determination that Bolivia had "failed demonstrably during the previous 12 months" to adhere to its "obligations under international counternarcotics agreements." Ten days later, the Administration announced its intent to make Bolivia ineligible for benefits under the Andean Trade Promotion and Drug Eradication Act (ATPDEA), asserting that "Bolivia's demonstrable failure to cooperate in counternarcotics efforts over the past 12 months indicates that Bolivia is not meeting important criteria" to qualify for the tariff preferences.

The "decertification" of Bolivia came just days after Bolivia expelled the U.S. ambassador. Departing Bolivia on September 14, the Ambassador Philip Goldberg warned Bolivians that the decision to expel him "could have serious impacts that have not been appropriately weighed."

In a September 16 press briefing, David T. Johnson, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, denied that the decertification was "linked to the ambassador being kicked out or any other tit-for-tat." Yet, the decision to

decertify Bolivia appears to be a reprisal against the Morales government for having just expelled the U.S. ambassador – not a result of Bolivia's "demonstrable failure" in drug control.

Following Morales's election as president in December 2005, many observers expected that drug policy would be one of the most contentious issues in U.S.-Bolivian relations. To be sure, the Bush administration often expressed its discomfort over Bolivia's coca policies, and both governments perpetuated ongoing friction and harsh rhetoric. But on the whole, fairly close cooperation characterized the bilateral drug control relationship for the majority of the Morales administration.

President Morales took office in January 2006. The Bush administration did not decertify the Morales government in September 2006, nor in September 2007. Nor was there any indication, prior to Ambassador Goldberg's expulsion, that things would be different in September 2008. As recently as March 2008, the State Department noted in its annual International Narcotics Control Strategy Report (INSCR) that: "Bolivian and U.S. officials meet regularly to coordinate policy, implement programs/operations, and resolve issues." Moreover, the March 2008 INCSR noted that in 2007 Bolivia had "surpassed its own coca eradication goal of 5,000 hectares" (one hectare equals 2.47 acres) and that "all seizure and interdiction statistics increased in comparison to 2006." Even with regard to the Bolivian government's policy of pursuing coca reduction through negotiated, voluntary eradication, the 2008 INCSR highlighted close cooperation.

Bolivia's Decertification in Context

In order to justify labeling Bolivia a "demonstrable failure" in drug control, the Administration perpetuated serious distortions of the record. The latest estimates of coca growing and cocaine production need to be viewed in a broader regional and historical perspective. With demand for cocaine remaining stable in the United States and rising elsewhere in recent years, coca growing has been on the rise in the three of the major Andean producing countries – Colombia, Peru and Bolivia. The official U.S. estimates suggest that in 2006 overall Andean coca cultivation may have reached its highest level in 20 years. For 2007, the U.S. estimates for coca growing in Bolivia and Peru have not yet been made public; instead, U.S. agencies have been citing as official the estimates developed by United Nations Office on Drugs and Crime (UNODC). The UNODC figures indicate a net 16 percent increase from 2006 to 2007 in the land area under coca cultivation in the Andes, led by a 27 percent jump in Colombia. By comparison, the increases reported for Peru (4

percent) and Bolivia (5 percent) were relatively small. Overall, Colombia accounted for 85 percent of the net 24,700 hectare increase region-wide, while Peru accounted for 9 percent and Bolivia for 6 percent.

Moreover, according to UNODC, Bolivia's 5 percent (1,400 hectare) coca increase in 2007 came on top of an 8 percent (2,100 hectare) increase in 2006. Even so, Bolivia's combined increase in land devoted to coca growing from 2005-2007 (3,500 hectares) amounted to just 17 percent of the single-year increase in coca growing in Colombia in 2007 (21,000 hectares). These UNODC statistics suggest that while the Colombian approach is failing and requires urgent revision, the Bolivian approach holds promise that containment and a gradual leveling of coca growing might be achieved through an emphasis on development (including coca income) and negotiated reductions. Bolivia faces daunting challenges, but the government's alternative strategy has much potential to be more successful in the long term than forced eradication.

The Bush Administration's Bolivia Decertification: Rationale versus the Reality

Assistant Secretary Johnson provided the official rationale for decertification at his September 16 press briefing. The Office of the U.S. Trade Representative (USTR) then repeated several of Johnson's assertions in its September 26 announcement of the Bush administration's proposal to suspend Bolivia from ATPDEA eligibility.

The State Department claimed that there was a 14 percent increase in the area of coca under cultivation, and an increase in potential cocaine production from 115 to 120 metric tons, figures that the USTR echoed in its decision by alluding to a vague, "marked" increase in cocaine production. The cited 14 percent increase is nearly triple the 5 percent increase reported by UNODC for 2007. The 8 percent and 5 percent increases in Bolivian coca growing reported by UNODC for 2006 and 2007, respectively, represented a cumulative two-year increase of 3,500 hectares (13 percent). But over the same time period, UNODC figures indicated a cumulative increase of 5,500 hectares of coca in Peru (57 percent greater than the increase in Bolivia). For 2007 alone, UNODC reported a 21,000-hectare increase of coca in Colombia (500 percent greater than Bolivia's combined increase over two years).

In 2007, the Bolivian government eliminated 6,269 hectares of coca, surpassing its self-established goal of 5,000 hectares, which the U.S. termed an "accomplishment." On October 29, 2008, Bolivian government officials announced that they had met their annual 5,000-hectare goal. UNODC estimated that Bolivia's potential cocaine production rose by

10 metric tons in 2007. Even so, UNODC figures indicate that Bolivia accounts for 10 percent of total Andean cocaine production, with Peru (29 percent) and Colombia (60 percent) accounting for by far larger shares of overall cocaine production.

The State Department also mischaracterized the departure of USAID from the Chapare region, claiming that *cocalero* unions "expelled" the organization from their region. In fact, coca farmers did not "expel" USAID programs. Instead, in a decision announced on June 24, they opted to sign no further agreements with the agency, which had a long history of ineffective programs in the Chapare region. MAS officials clarified that the decision to undertake no new projects with USAID did not imply its expulsion from the region, and that the projects currently under way would continue. Bolivian Vice Chancellor Hugo Fernández confirmed that existing USAID projects would continue to their contractual conclusion.

Even this was a largely a symbolic gesture; USAID had already planned to shift the bulk of its limited Chapare activities to the La Paz Yungas in 2009, and Chapare municipalities had found other funding sources in Europe and elsewhere. According to the 2008 INCSR, more resources were destined for the Yungas and assistance in the Chapare would continue to decline. As a result, the number and scope of projects affected by the decision to not sign agreements was minimal. The decision to sign no further agreements with USAID in the Chapare resulted primarily from local frustration with alternative development aid conditioned on prior coca eradication. Currently, Chapare farmers work closely with European Union (EU)-funded development initiatives. The realistic, collaborative approach promoted by EU aid programs supports the Bolivian government's effort to replace traditional "alternative development" projects with integral and sustainable economic development. In contrast to the official U.S. focus, the EU approach takes into account the importance of coca production as a source of subsistence and for local consumption.

The Bolivian government did not expel DEA agents from the Chapare coca–growing region in September, as cited in the decertification remarks. U.S. officials claimed that DEA agents received a call on September 9 from a Bolivian anti-drug force commander, informing them that they were unsafe in the Chapare and that *cocaleros* in the region were intending to attack them. But the commander of UMOPAR (Bolivia's Antinarcotic Rural Mobile Patrol Unit) denied the claim that coca growers threatened the DEA on September 9, or at any other time. The DEA compound at the Chimore base is highly guarded, and coca growers have never attempted to attack it. The UMOPAR commander also underscored that even

after "decertification," UMOPAR continued to work closely with the DEA, and that the interdiction activities of the FELCN (Bolivia's Special Drug Control Police Force) continued to be accepted by Chapare residents, and had not faced security risks. Indeed, Bolivian anti-drug commanders consistently cite community support for interdiction efforts involving the DEA. According to the UMOPAR commander in the Chapare, "people don't want their community to be implicated in drug trafficking, so social control is contributing to better counterdrug efforts."

Although the Bolivian government subsequently expelled the DEA in November 2008, the larger, Narcotic Affairs Section (NAS) of the U.S. embassy continues to operate in Bolivia and coordinate closely with Morales administration officials.

Looking Ahead

The Bush Administration did not make a convincing case for decertifying Bolivia, and evidently made the decision for political reasons. This decision exacerbated the existing bilateral crisis, eroded the little trust that remained between the two governments and contributed to the expulsion of the DEA, further heightening tensions. The Obama administration and Congress should be careful not to make similar mistakes.

Instead, they should be realistic about the prospects for reductions in coca growing and cocaine production in the Andean region. With the global market for cocaine stable or expanding, strategies like massive forced eradication will be sure to generate abuses and conflict, but do little to contain coca growing, cocaine production and drug trafficking. Specifically, U.S. policy should no longer condition development assistance on eradication of coca, and should ensure that small farmers have viable and sustainable livelihoods apart from coca before eradication is even contemplated. Continuing the current U.S. approach will only deepen the misery of small farmers and reinforce their economic reliance on coca growing. Addressing the "people of poor nations," President Obama pledged to "work alongside you to make your farms flourish and clean waters flow, to nourish starved bodies and feed hungry minds." This focus points to the need of the redefinition of bilateral relations around poverty alleviation, healthcare, and education, priorities for both nations. Congress and the Obama Administration should also emphasize incentives and partnerships rather than sanctions.

Furthermore, the U.S. government should vigorously pursue demand reduction at home, especially through investing ambitiously in access to high-quality treatment for heavy drug users. The new Administration must recognize that the certification process itself

strikes many in Latin America as the height of arrogance and hypocrisy: the United States – the world's leading cocaine market – presumes to judge the drug control efforts of other governments. Ideally, the certification process would become less politicized in the hands of a new U.S. administration, but many Latin Americans will likely continue to regard the process itself as demeaning and illegitimate. The premise that U.S. drug control strategies are essentially correct provides the faulty foundation for the certification process. There is abundant evidence – most clearly in the cases of Colombia and of Bolivia during Plan Dignidad – that even extremely diligent pursuit of the U.S.-favored military forced-eradication strategy, undertaken in intimate cooperation with the U.S. government, has not come close to sustainably containing coca and cocaine production, and has no real prospect of doing so.

The U.S. Drug Enforcement Administration played an important role in intelligence gathering and sharing within Bolivia and with its neighbors. With its expulsion, the Bolivian government must fully assume responsibility to fill this gap in cooperation with its neighbors and the international community. The Morales administration has begun to address this need with Brazil and Argentina, the destinations or transit points for the great majority of Bolivian cocaine. Potential success would provide an important model for multilateral cooperation to fight drug trafficking, and alleviate U.S. responsibility and spending in the region. At a time of severe financial crisis in the United States, it also makes sense that the U.S. should dramatically downscale the large U.S. diplomatic presence in Bolivia, as well as specific USAID and specific drug control programs that have been the focus of bilateral tensions.

Reduced USAID cooperation should focus on mutually agreed upon efforts based on Bolivia's basic needs, such as health, education and poverty alleviation and steer away from controversial regional and democracy promotion programs that have been points of contention in the past. Transparency mechanisms, agreed on by both governments, as well as access to programs for NGO actors should be prerequisites for these initiatives.

Conclusion

It would make little sense to prolong or let fester inherited problems that can be resolved for the better. Indeed, the new Obama administration and Congress could help repair some of the damage done to the U.S. reputation in Latin America in recent years by taking a flexible, respectful approach toward Bolivia, in cooperation with Bolivia's neighbor democracies and the international community. The Obama administration would also do well to recognize that Bolivia's political dynamics, demands for profound reform, and jealous defense of

national sovereignty and self-determination have emerged from the country's own history, and have not been imposed by outside powers against the democratic wishes of the Bolivian people

It is now up to both governments to make the most of this opportunity to begin the sort of respectful, mutually beneficial diplomacy that ought to be possible. Of course, the two governments' interests and agendas will not always coincide, real differences will persist and new disputes will arise; but the perpetuation of suspicions and antagonism that led to a breakdown in bilateral relations during the Bush administration is neither desirable nor inevitable. The longer both nations wait, allowing resentment to deepen as a result of critical public statements and negative reactions to official determinations and reports, the more difficult it will become to seek commonalities and reconstruct a relationship based not on conditions or suspicions but trust and communication.

A positive first step for Washington, already endorsed by Senator Lugar, would be to renew Bolivia's eligibility for the ATPDEA benefits suspended by President Bush. According to Lugar, "Lifting the suspension on the ATPDEA with Bolivia will strengthen the growing political and economic relationship between our nations and help bring new jobs and good will to the region." Both the U.S. and Bolivian governments should also prepare to put in place new ambassadors as soon as possible, and to ensure that the new envoys will be attuned and equipped to advance an agenda of mutually respectful and beneficial relations.